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Department of State **TELEGRAM**

14

PET 1 LIBYA

459

LIMITED OFFICIAL USE 786

PAGE 01 BENGHA 00185 030941Z

10
ACTION AF-13

INFO OCT-01 CIAE-00 DODE-00 PM-06 H-02 INR-06 L-03 NSAE-00
NSC-10 P-03 RSC-01 PRS-01 SS-14 USIA-12 E-11 INT-08
OEP-01 COM-08 TRSE-00 OMB-01 CIEP-01 RSR-01 /103 W
038532

P R 030757Z MAY 72
FM AMEMBASSY BENGHAZI
TO AMEMBASSY TRIPOLI PRIORITY
INFO SECSTATE WASHDC 0777

BENGHAZI 185
5.3.72

LIMITED OFFICIAL USE BENGHAZI 185

SUBJECT: DEVELPMENT PLAN ALLOCATION FOR PETROLEUM
FROM MACK

RECENTLY ANNOUNCED LIBYAN DEVELOPMENT PLAN INCLUDES FY 1972-1973 ALLOCATION FOR PETROLEUM AT LEVEL OF NEARLY 32 MILLION LIBYAN DINARS. AL REED OF NELSON BUNKER HUNT DREW THIS TO MY ATTENTION. HE NOTED THAT FIGURE IS QUOTE SUSPICIOUSLY CLOSE TO NET BOOK VALUE OF NATIONALIZED BP ASSETS IN LIBYA. END QUOTE
PALMER

(1)

DEPARTMENT OF STATE A/CDC/IT
RETURNED BY _____ DATE 3/14/82
PA or FOI EXEMPTIONS

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37. DECLASSIFIED PET 6 LIBYA

Department of State TELEGRAM

UNPET 17-2 IT-LIBYA

LIMITED OFFICIAL USE 410

PAGE 01 ROME 02545 042019Z

64
ACTION AF-13

INFO OCT-01 EUR-20 AID-20 CIAE-00 COM-08 E-11 FRB-02
INR-06 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-01
LAB-06 SIL-01 SAL-02 OMB-01 INT-08 L-03 P-03 PRS-01
USIA-12 OEP-01 RSR-01 /141 W
053993

R 041849Z MAY 72
FM AMEMBASSY ROME
TO SECSTATE WASHDC 3754
INFO AMEMBASSY TRIPOLI
AMEMBASSY BENGHAZI
AMEMBASSY LONDON

Rome 2545 5/4/72

3/4/82

LIMITED OFFICIAL USE ROME 2545

SUBJECT: PETROLEUM: ENI NEGOTIATIONS FOR LIBYAN PARTICIPATION

REF: STATE 67830, TRIPOLI 778

1. AMBASSADOR VINCENZO SORO FORMERLY DG ECON AFFAIRS FONOFF AND NOW PRESIDENT OF ENI'S FINANCIAL HOLDING COMPANY, SOFID, TOLD ECONMIN TODAY THAT CONTRARY TO PETROLEUM INTELLIGENCE WEEKLY REPORT OF APRIL 17 ENI HAS NOT RPT NOT CONCEDED PRINCIPLE OF 51 PERCENT LIBYAN PARTICIPATION. SORO SAID ENI RELUCTANT TO GO TO 51 PERCENT EVEN THOUGH PRECEDENT ALREADY SET BY OCCIDENTAL IN NIGERIA.

2. SORO CONFIRMED THAT RATTI OF ENI IS CURRENTLY NEGOTIATING IN TRIPOLI AND AN AGREEMENT COULD COME "VERY SOON", BUT HE WOULD NOT BE PINNED DOWN ON TIMING. SAID OUTSTANDING DIFFERENCES RELATED TO: PARTICIPANT SHARE (LIBYANS ARE INSISTENT ON 51 PERCENT) AND TERMS OF PAYMENT, INCLUDING PRICE OF OIL. ITALIANS HOPE IT WILL BE SOMEWHERE BETWEEN POSTED AND MARKET PRICES. SORO SAID ITALIANS CONCEDED AGREEMENT WOULD BE RETROACTIVE TO APPLY TO TWO SHIPMENTS FROM CONCESSION 100 WHICH HAVE ALREADY BEEN LIFTED.

(2)

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3. SORO DESCRIBED THE NEGOTIATIONS AS HECTIC WITH FREQUENT INTERRUPTIONS.

SAID ENI WAS CURRENTLY NEGOTIATING AGAINST ANOTHER OF LARG'S MANY DEADLINES.

4. SORO SAID ITALIANS CHOSE TO BE RESPONSIVE TO LIBYAN DEMANDS FOR PARTICIPATION BECAUSE: A) ENI HAS LONG FAVORED JOINT VENTURES; AND B) NOTWITHSTANDING EARLIER RELUCTANCE IN THE FONOFF THERE IS NOW HIGH LEVEL ITALIAN POLITICAL PRESSURE FOR A SETTLEMENT.

5. SORO STRESSED NEED FOR A FIRM POLITICAL BASE FOR IMPLEMENTATION OF ITALIAN ENERGY POLICY WHICH HE DESCRIBED AS STILL EVOLVING. MARTIN

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PET 15-2 Libya

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CONFIDENTIAL 049

PAGE 01 TRIPOL 00867 01 OF 02 230644Z

13
ACTION AF-18

INFO OCT-01 EUR-20 NEA-10 E-11 COM-08 INT-08 TRSE-00 L-03
T-03 OMB-01 OEP-01 CIAE-00 DODE-00 PM-06 H-02 INR-06
NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-14 USIA-12 RSR-01
CIEP-01 OPIC-12 /153 W

065169

R 221501Z MAY 72
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 8829
INFO USINT ALGIERS
AMEMBASSY BENGHAZI
AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 1 OF 2 TRIPOLI 0867/1

DEPARTMENT PASS CAIRO

SUBJECT: BP NATIONALIZATION

REF: TRIPOLI 548

SUMMARY:

LNA AND TRIPOLI PRESS HAVE ALSO REHUN STORY
WHICH APPEARED EARLIER (FBIS M131148 MAY 13) TO EFFECT THAT

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FORM DS-1350

Tripoli 867 5-22-72

c/ 3/4/82

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PAGE 02 TRIPOL 00867 01 OF 02 230644Z

LIBYANS HAVE CONCLUDED AGREEMENT WITH SOVIETS FOR SALE OF UNDISCLOSED AMOUNT OF SARIR CRUDE. WE INCLINED TO REGARD STORY WITH CAUTION AND FEEL IT MAY CONSTITUTE ONLY INTENTIONAL AND NOT FINAL AGREEMENT. END SUMMARY.

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E1

E4

E1

E1

E1

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7.

NOTE BY OC/T: NOT PASSED CAIRO.

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CONFIDENTIAL 052

PAGE 01 TRIPOL 00867 02 OF 02 230633Z

16
ACTION AF-18

INFO OCT-01 EUR-20 NEA-10 E-11 COM-08 INT-08 GEP-01 OMB-01
T-03 CIEP-01 TRSE-00 CIAE-00 DODE-00 PM-06 H-02
INR-06 L-03 NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-14
USIA-12 RSR-01 OPIC-12 /153 W
065160

R 221501Z MAY 72
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 8830
INFO USINT ALGIERS
AMEMBASSY BENGHAZI
AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 2 OF 2 TRIPOLI 0867/2

DEPARTMENT PASS CAIRO

SUBJECT: BP NATIONALIZATION

REF: TRIPOLI 548

8. [redacted] OUR ANALYSIS THAT:
(A) SOVIETS, OR ALTERNATIVELY BULGARIANS ON THE EDGE OF AGREEMENT RE MARKETING OF SARIR CRUDE, (B) SOME SORT OF DIFFICULTY (LENGTH OF AGREEMENT, BARTER TERMS, PRICING, ETC) STILL SEPARATED TWO PARTIES, (C) LIBYANS WILLING TO GIVE FULLEST PLAY TO POSSIBLE AGREEMENT WITH SOVIETS IN ORDER TO PUT PRESSURE ON UK FOR EARLY AND TO LIBYAN SIDE FAVORABLE SETTLEMENT ON BP COMPENSATION ISSUE, (D) "AGREEMENT" REPRESENTS GENERAL INTENTION OF

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BOTH SIDES RATHER THAN FINAL AND ABSOLUTE CONTRACT.

9. WE ARE QUERYING EMBOFF BENGHAZI IN EFFORT CLARIFY PIW (MAY 22) STORY THAT BUNKER-HUNT ALLOWABLE HAS BEEN CUT. IF THIS IS CASE, LIBYANS MAY PLAN AS A STARTER TO TAKE PART OF BH CRUDE QUOTA FOR EAST EUROPEAN BARTER/SALE. THIS WOULD PRESUMABLY MAKE DIFFICULT BP EFFORTS LEGALLY INTERDICT SHIPMENTS, AND CONSTITUTE ADDITIONAL JIMMY TO LEVER BP'S RESOLVE RE COMPENSATION OFF ITS HINGES. GP-4. PALMER

NOTE BY OC/T: NOT PASSED CAIRO.

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